

**PRELIMINARY AUCTION NOTICE**  
for  
**LAND BANKING PUBLIC AUCTION SALE NO. 372**  
85.2 Acres, SW Quarter, Section 36, 29 North, 22 West,  
Kalispell, Mont. – Flathead County

*This notice is intended to provide preliminary information regarding the proposed land auction. The Montana Department of Natural Resources and Conservation (DNRC, a.k.a. the State) reserves the right to make any changes or adjustments as are deemed necessary by DNRC to implement the selected proposal and in order to protect the interests of the State. Final information regarding the process, terms and conditions associated with this change will be included in the official "Auction Notice" to be distributed to all qualified bidders following the April 28th qualification deadline.*

Preliminary notification is hereby given that the State of Montana through the Trust Land Management Division of the Department of Natural Resources and Conservation (herein called DNRC), will sell at public auction, **Thursday, June 15, 2006, at 2 p.m. in the City of Kalispell, Mont.**, to the highest and best bidder, Trust Lands situated in the City of Kalispell, Flathead County generally described as follows:

**TOWNSHIP 29 NORTH, RANGE 22 WEST, PMM, SECTION 36, SW QUARTER, FLATHEAD COUNTY, MONTANA, 85.2 ACRES, MORE OR LESS**

See the survey of the parcel in the Bid Package for the complete legal description.

**Beneficiary: Common Schools**

Prospective bidders are advised to examine all pertinent files related to this sale and included with the Section 36 Southwest Quarter Sale Bid Package.

The minimum bid amount is based on the appraised value of the parcel and determined by the Montana State Board of Land Commissioners. The minimum bid amount for this sale is \$3,532,136 based on a sale parcel size of 85.2 acres.

A bid deposit in the form of a certified check or cashier's check, payable to the Montana Department of Natural Resources and Conservation, drawn on any Montana bank for \$1,766,068 (50% of the minimum bid amount) is required to accompany the participation agreement by April 28, 2006, by 5 p.m. Mountain Daylight Time in order to be eligible to bid at the auction.

The DNRC does not represent or warrant that access exists over lands that may intervene respectively between the above parcel/s and the nearest public roadway.

Pursuant to the provisions of Montana Code Annotated § 77-2-304, any and all sub-surface mineral rights are reserved from this sale.

**TERMS OF SALE:**

Upon the declaration as the highest and best bidder, the successful bidder:

- (A) Shall take action to close this sale with the State of Montana;
- (B) Shall adhere to the design concept as covenanted by the property sale deed. The purpose of the design concept describes the guiding philosophy of the development including primary architectural and landscaping themes.
- (C) The total sale amount is due and payable upon closing of the transaction, less the bid deposit and interest accrued on the bid deposit.
  - (i) All other bidders will be refunded their full bid deposits and accrued interest generated through the holding account. This will occur within ten (10) business days of the auction date.

**ADDITIONAL CONDITION/S:**

- (A) The property on an “AS IS, WHERE IS AND WITH ALL FAULTS” basis. The failure of any bidder to inspect, or to be fully informed as to the condition of all or any portion of the property offered, will not constitute grounds for any claim or demand for adjustment, reimbursement or withdrawal of a bid after the close of the auction.
- (B) Upon close, Purchaser will pay \$50,000.00 to cover Seller's administrative costs related to this sale.
- (C) The State will not pay any real estate broker fees associated with this project.
- (D) The State may cancel this auction in whole or in part at any time prior to the acceptance of a final bid.
- (E) Persons with a disability may request a reasonable accommodation such as a sign language interpreter, by contacting the DNRC at (406) 444-2074. Requests should be made as early as possible to allow time to arrange the accommodation.
- (F) This sale is subject to final approval of the Montana Board of Land Commissioners.

**BIDDING INFORMATION:**

- (A) The close of the auction shall be deemed to be the time of declaration of the highest and best bidder. The bidding will begin at the minimum bid amount of \$3,532,136. A bid for less than the minimum bid amount or by a party who is not qualified and registered to bid will not be considered. Additional bidding increments shall be a minimum of \$10,000.00 thereafter. Bidding will be conducted orally.
- (B) If the Department determines that the successful bidder is not proceeding in good faith toward a close on the sale of this property, all amounts paid at the time of auction by the successful bidder, including accrued interest, will be returned, less \$50,000.00.
- (C) In the event of forfeiture, the Director may declare the next highest bidder as the high bidder. That bidder, upon agreement to match the highest bid, has five (5)

days after notification by DNRC to pay by cashier's check all amounts due and proceed with the purchase.

#### **ADDITIONAL INFORMATION AVAILABLE**

All of the bid package elements will be available online at:  
[http://www.dnrc.mt.gov/trust/land\\_banking/KalispellLandAuction/](http://www.dnrc.mt.gov/trust/land_banking/KalispellLandAuction/).

Photographs and maps of the parcel and overall Spring Prairie Development are available for viewing at <http://www.KalispellLandAuction.com>.

For more detailed economic and demographic information on Flathead County, please consult <http://www.flatheadport.org/>.

All of the land in the Spring Prairie PUD is State of Montana Trust Land with the statewide K-12 school system as the assigned beneficiary of revenues. DNRC is the managing agency charged with managing State Trust Lands. For more information concerning DNRC and school trust lands visit <http://www.dnrc.state.mt.us/trust/tlmdhome.htm>.